

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

2003 APR 18 A 10:53

AT RICHMOND, APRIL 18, 2003

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

v.

CASE NO. SEC-2003-00005

JEFFERSON PILOT SECURITIES CORPORATION, .

Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of Defendant, Jefferson Pilot Securities Corporation, pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

As a result of its investigation, the Division alleges:

1. Defendant failed to exercise diligent supervision over the general securities activities, including the sale of penny stocks, of one of its agents, Paul G. Romweber, in violation of the Commission's Rule 21 VAC 5-20-260B.

2. Defendant failed to enforce the firm's written supervisory procedures relating to the sale of general securities in violation of the Commission's Rule 21 VAC-20-260D.

The Defendant neither admits nor denies these allegations, but admits to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from these allegations, Defendant has offered, and agrees to comply with, the following terms and undertakings:

1. Defendant will refrain from any further conduct which constitutes a violation of the Act or the Commission's Rules promulgated thereunder.

2. Defendant, pursuant to § 13.1-521 of the Act, will pay to the Commonwealth a penalty in the amount of fifteen thousand dollars (\$15,000).

3. Defendant, pursuant to § 13.1-518 of the Act, will pay to the Commission the sum of eleven thousand five hundred dollars (\$11,500) to defray the costs of the investigation.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to authority granted to the Commission in § 12.1-15 of the Code of Virginia.

**NOW, THEREFORE, IT IS ORDERED THAT:**

1. Pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, Defendant's offer of settlement is accepted;

2. Defendant fully comply with the aforesaid terms and undertakings of the settlement;

3. Pursuant to § 13.1-521 of the Act, Defendant pay to the Commonwealth a penalty in the amount of fifteen thousand dollars (\$15,000).

4. Pursuant to § 13.1-518 of the Act, Defendant pay to the Commission the sum of eleven thousand five hundred dollars (\$11,500) to defray the costs of the investigation.

5. The total sum of twenty-six thousand five hundred dollars (\$26,500) tendered by Defendant contemporaneously with the entry of this Settlement Order is accepted; and

6. This case is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

AN ATTESTED copy hereof shall be sent by CERTIFIED MAIL, RETURN RECEIPT REQUESTED, to: John S. Barr, Esquire, McGuireWoods, LLP, One James Center, 901 East Cary Street, Richmond, Virginia 23219-4030, and Jefferson Pilot Securities Corporation, One Granite Place, Concord, New Hampshire 03301.

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Defendant

CONSENT

The Defendant, Jefferson Pilot Securities Corporation, admits to the jurisdiction of the State Corporation Commission of Virginia as to the party and the subject matter hereof and, without admitting or denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consents to the form, substance and entry of the foregoing Settlement Order.

The Defendant further states that no offer, tender, threat or promise of any kind whatsoever has been made by the Commission or any member, officer, agent or representative thereof in consideration of the foregoing Settlement Order.

Dated: 3/27/03

By: William B. Bault

Title: Vice President - Compliance

Seen and Approved by:

Jefferson Pilot Securities Corporation

John S. Barr

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